

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Division of Law - 5th Floor
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101

By: Carol G. Jacobson
Deputy Attorney General
(973) 648-3453

FILED

FEB 09 2004

Division of Consumer Affairs

State of New Jersey
Department of Law & Public Safety
Division of Consumer Affairs

In the matter of an inquiry between
RENI ERDOS, Director of the New Jersey
Division of Consumer Affairs

and

USA LEASING CENTER, INC.

Respondent

Administrative Action

CONSENT ORDER

This matter having been opened by the Division of Consumer Affairs, Office of Consumer Protection (hereinafter referred to as "Consumer Affairs" or "Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (Hereinafter referred to as "CFA" or "Act"), and the regulations promulgated thereunder relating to the advertisement of automobiles, N.J.A.C. 13:45A-26A.1 et seq. ("Auto Advertising Regulations") and to the sale of automobiles, N.J.A.C.

13:45A-26B.1 et seq. ("Auto Sales Regulations") and / or the Used Car Lemon Law, N.J.S.A. 56:8-67 et seq. (Hereinafter referred to as "UCLL"), and the regulations promulgated pursuant thereto N.J.A.C. 13:45A-26F.1 et seq. (Hereinafter referred to as the UCLL Regulations") have been or are being committed by USA Leasing Center, Inc. (hereinafter referred to as "Respondent"), and it appearing that the parties have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Respondent having voluntarily cooperated with the Division's investigation and consented to the entry of the within order without having admitted any violation of law or finding of fact, and for good cause shown,

IT IS on this 25 day of JANUARY, 2004,

ORDERED and AGREED as follows:

A. BUSINESS PRACTICES

1. Respondent, its principals, officers, agents, representatives and employees shall not engage in any unfair or deceptive acts or practices in the conduct of its business in the State of New Jersey and shall comply with such state laws, rules and regulations as now constituted or as may hereafter be amended, including, but not limited to, the Consumer Fraud Act, the UCLL, the Sales Regulations, Motor Vehicle Advertising Regulations and UCLL Regulations, including but not limited to the following;

- a. Respondent shall not sell vehicles which do not have a true and accurate odometer reading without disclosing such fact to the consumers;
- b. Respondent shall disclose any and all prior damage in excess of \$1,000.00 to a vehicle known to Respondent. Respondent shall take all reasonable and

necessary measures to ascertain the requisite information;

- c. Respondent shall accurately disclose any prior use of a vehicle which is known or should have been known to Respondent, including, but not limited to, prior use as a dealer demonstrator vehicle, a service department loan vehicle, a rental vehicle or a commercial vehicle;
- d. Respondent shall timely pay the administrative fee required by the UCLL Regulations, N.J.A.C. 13:45A-26F.6.

B. EXISTING CONSUMER COMPLAINT

- 1. Within fifteen (15) days of the entry of this Order, the Division will forward to Respondent a copy of the currently outstanding consumer complaint. Within thirty (30) days of receipt of the complaint, Respondent shall provide written proof to the Division as to the resolution of the consumer complaint. Upon verification by the Division that the consumer has been satisfied by the Respondent, the consumer complaint shall be deemed closed by the Division's Office of Consumer Protection ("OCP").
- 2. If the complaint identified in the Rider has not been resolved within thirty (30) days of the receipt of the complaint, Respondent shall send a written response to the consumer with a copy to the New Jersey Division of Consumer Affairs, Office of Consumer Protection, Attention: Case Management Tracking Supervisor, 124 Halsey Street, P.O. Box 45025, Newark, New Jersey 07101.
- 3. If the Respondent's written response disputes the consumer's complaint or the relief sought by the consumer, the response will include copies of all documents related to

Respondent's dispute of the complaint and shall inform the consumer that she / he may participate in the Division's Alternative Dispute Resolution's binding arbitration process. If Respondent's written response does not dispute the consumer's complaint or the relief sought by the consumer, Respondent's response to the consumer will include all documents necessary or appropriate to satisfy the consumer's requested relief, including payment or credit.

4. If the Division has not received notice from Respondent that the forwarded complaint has been settled on or before the forty - fifth (45) day after the complaint was transmitted to Respondent, the complaint shall be forwarded to the Alternative Dispute Resolution ("ADR") Unit of the Division of Consumer Affairs to reach a resolution of the complaint through binding arbitration. Respondent agrees herein to consent to this arbitration process. Thereafter, the matter will proceed in accordance with the ADR Guidelines. If the consumer refuses to participate in the ADR program, the consumer's complaint shall be deemed closed for the purposes of this Consent Order.

C. PAYMENT TO THE STATE

1. The Respondent shall pay to the State of New Jersey Division of Consumer Affairs civil penalties and the Division's costs for the total sum of \$5,000 pursuant to N.J.S.A. 56:8-13 and N.J.S.A. 56:8-11. Payment of the aforestated amount shall be made as follows:

An initial payment of \$2,000 shall be sent together with this fully executed Consent Order on or before February 1, 2004. The remaining balance of \$3,000 shall be paid in twelve (12) equal monthly installments of \$250.00, the first installment due on March 1, 2004, and continuing on the first day of the month every month thereafter through and

including February 1, 2005:

2. Each of the aforesated payments for penalties and costs shall be made by certified check, attorney trust account check or other guaranteed funds made payable to the "New Jersey Division of Consumer Affairs" and shall be delivered to the following address:

Attention: Case Management Tracking
New Jersey Department of Law and Public Safety
Division of Consumer Affairs
124 Halsey Street
P.O. Box 45025
Newark, New Jersey 07101

3. In the event that any installment payment hereunder is not made within fifteen (15) days of its due date, all unpaid amounts due and payable under this Consent Order shall be immediately accelerated and deemed due and payable immediately without the need for notice or presentment, with interest due calculated in accordance with R. 4:42-11 from the date of default, and with the State's costs of collection. In addition to the relief provided for in this paragraph, this default shall also entitle the Division to make application to a court of competent jurisdiction for an order directing compliance and any other relief in aid of litigant's rights, including the imposition of attorney's fees for said application, or to make any other application as provided by law.

4. If, after the signing of this Consent Order, Respondent engages in any acts or practices which constitute a violation of the Consumer Fraud Act, the UCLL, the Regulations or this Consent Order, Respondent will be subject to the imposition of enhanced

penalties pursuant to N.J.S.A. 56:8-13 or N.J.S.A. 56:8-18, without prejudice to Respondent's right to present evidence in mitigation and affirmative defenses.

D. GENERAL PROVISIONS

1. Nothing contained in this Consent Order shall be construed to limit or affect the rights of any persons or entities who are not parties to this Consent Order with respect to any of the matters contained herein.
2. Nothing contained herein shall in any manner or fashion be construed to limit or affect any position that the parties make take in any future or pending action not specifically encompassed herein.
3. This Consent Order resolves all claims and causes of action against Respondent for violations of the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., and the regulations promulgated pursuant thereto, and the UCLL and its regulations, which were known by the Division through November 30, 2003.
4. The parties represent that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms and that this person has done so with the authority to legally bind the respective parties.
5. This Consent Order constitutes the entire agreement between the parties hereto and shall bind the parties hereto and their representatives, officers, directors, agents, employees, successors and assigns.
6. Respondent shall not represent or imply that any advertising procedure or other act or practice hereinafter used or engaged in by Respondent has been required or approved, in whole or part, by the Attorney General or the Division of Consumer Affairs or any of the

~~State's agencies or agents.~~

7. The parties acknowledge that for purposes of enforcement of this Consent Order, New Jersey law shall govern the terms and provisions herein.

8. The Division has advised the Respondent to seek the advice of an attorney prior to entering into this agreement.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY

BY: 
Reni Endos, Director New Jersey
Division of Consumer Affairs

DATED: 2/9/04

The undersigned has read this Order, understands it and agrees to be bound by its terms. Respondent further hereby consents to the entry of the foregoing Order, both as substance and form.

USA Leasing Center, Inc., RESPONDENT

BY: 
Zvi Oksenberg, President

DATED: 1.25.04

RIDER

<u>Consumer</u>	<u>Vehicle</u>	<u>Disposition</u>
1. Gary Renner	1999 Toyota Avalon VIN # 4T1BF18B7XU304413	To be handled as outlined in Consent Order.